

MINUTES OF THE MEETING
of the
PORTLAND HOUSING AUTHORITY

January 7, 2021

The meeting of the Portland Housing Authority was held at 14 Baxter Blvd, Portland, Maine, via Go-to-Meeting. Upon roll call, quorum is declared. Meeting called to order by Robyn Tucker, Chairperson, at 5:32 PM.

PRESENT	ABSENT
Robyn Tucker, Chairperson Kristin Blum, Vice-Chairperson Christian MilNeil, Commissioner Monique Mutumwinka, Commissioner Shirley Peterson, Commissioner Tom Valleau, Commissioner Cheryl A. Sessions, Executive Director Jay Waterman, Real Estate Director Brian Frost, Asset Manager Larry Giddinge, Finance Director Phillipe Lindsay, Auditor Lourdes Alvarez, Admin Support Specialist	N/A

1. Resolution to approve the minutes of the Board meeting of December 3, 2020

Resolution #3060

Be it resolved by the Commissioners of the Portland Housing Authority that the minutes of the meeting of December 3, 2020, as amended, be and hereby are approved.

The above resolution was moved by Kristin Blum, Vice-Chair, and second by Tom Valleau, Commissioner, and upon roll call, the ayes and nays were as follows:

AYES

Robyn Tucker, Chair
 Kristin Blum, Vice-Chair
 Christian MilNeil, Commissioner
 Shirley Peterson, Commissioner
 Tom Valleau, Commissioner

NAYS

None

Chairperson declared said motion carried and said resolution adopted.
Commissioner Monique Mutumwinka was not present for the approval of the minutes.

2. Finance Committee Report

Commissioner Christian MilNeil presented a brief summary of the meeting. Budgets continue to remain on track. The Cares Act monies used to pay for salaries is maintaining the Agency's budget in the black.

A financial opportunity was also presented to the Committee. AVESTA Housing is interested in extending the financing on their note with PHA, keeping in mind the next payment is due in March 2021.

The Committee also reviewed a proposal from an energy supplies to purchase energy from solar farms. The deal may include the sale of a renewal energy certificate (REC) which can be sold as a commodity.

Resolution #3061

Be it resolved by the Commissioners of the Portland Housing Authority that the minutes of the Finance Committee meeting of December 15, 2020, be and hereby are approved.

The above resolution was moved by Kristin Blum, Vice-Chair, and second by Tom Valleau, Commissioner, and upon roll call, the ayes and nays were as follows:

<u>AYES</u>	<u>NAYS</u>
Robyn Tucker, Chair	None
Kristin Blum, Vice-Chair	
Christian MilNeil, Commissioner	
Monique Mutumwinka, Commissioner	
Shirley Peterson, Commissioner	
Tom Valleau, Commissioner	

Chairperson declared said motion carried and said resolution adopted.

Resolution #3062

Be it resolved by the Commissioners of the Portland Housing Authority that the Income & Expense Reports of November 2020, be and hereby are approved.

The above resolution was moved by Christian MilNeil, Commissioner, and second by Kristin Blum, Vice-Chair, and upon roll call, the ayes and nays were as follows:

<u>AYES</u>	<u>NAYS</u>
Robyn Tucker, Chair	None

Kristin Blum, Vice-Chair
Christian MilNeil, Commissioner
Monique Mutumwinka, Commissioner
Shirley Peterson, Commissioner
Tom Valleau, Commissioner

Chairperson declared said motion carried and said resolution adopted.

3. Audit Report Presentation

Audit presentation led by Phillippe Lindsay, Rubino and Company.

Director of Finance, Larry Giddinge, introduced Mr. Lindsay who proceeded to present the Power Point regarding the Auditor Report for single audit for fiscal year ending June 30, 2020. [copy of presentation attached].

The agency report was issued on 12/29/2020. There is currently a 6-month extension on submitting the REAC report to HUD, and the plan is to submit it in the next month.

There are no findings to report in the audit. He also noted that there were no findings in compliance or related to OPED. In the HCV audit, six files were found to have some missing documents required by HUD, and this was attributed to the age of the files. The only issue found was the deferred loss due to the loss of HUD monies, nothing of any significance.

Board asked if the Bayside Anchor finances were part of the component units. Mr. Lindsay directed them to page 13 of the audit report, under upper level financial statements, and pointed out where its included in the component units. He noted that Bayside Anchor figures shown are as of 12/31/2019 and will be audited as of 12/31/2020 in the next 6 weeks. Loring House still owes \$100,000. The other question asked was about debt that should have been cleared when the Loring House property was converted to PBV and the report shows still owing \$100,000. Larry Giddinge will provide Tom Valleau with additional information to clarify recollections on this transaction. There is no management letter with the audit report for PHA. Suggestions were minor enough to not require the letter from the auditor to the agency. Phillippe pointed out that on page 77, there is a report on the rental income at State Street, Anderson Street, 841 Congress. Question is asked about the monies shown as income from PHDC, and he indicates these belongs to 38 Mayo as 47-49 Boyd is currently not producing rental income. Salaries paid by PHDC are Jay's and Tyler's.

Board requested financing information on the SWAP reflecting the deferred monies loss. These are hypothetical losses that would occur under the SWAP if sold or refinanced, none of which have occurred, only to show potential liability. The Board asked about converted properties as part of the component units. These are in the component balance sheet, under the construction in process column. It is noted that the unit numbers on pg. 78 do not look accurate; request is made to depict unit months lease income more accurately. The losses reflected on the balance sheet are attributed to current market rates and interest.

On pg. 12 of the report, there is an increase in the pension liability, showing an increase on pension obligations when compared to last year's audit report table. Looking at the chart on pg. 40 and it indicates liability last year to be 6 million and this year being 8 million, due to increase in health care costs. The discount rate did change and affected these numbers. There was a finding last year due to not balance sheet not showing all the retirement liability which was corrected.

Resolution #3063

Be it resolved by the Commissioners of the Portland Housing Authority that the Audit Report for Fiscal Year ending June 30, 2020, be and hereby are approved.

The above resolution was moved by Christian MilNeil, Commissioner, and second by Kristin Blum, Vice-Chair, and upon roll call, the ayes and nays were as follows:

AYES

Robyn Tucker, Chair
Kristin Blum, Vice-Chair
Christian MilNeil, Commissioner
Monique Mutumwinka, Commissioner
Shirley Peterson, Commissioner
Tom Valteau, Commissioner

NAYS

None

Chairperson declared said motion carried and said resolution adopted.

4. Executive Director's Report

Ms. Sessions proceeded to present her report. As previously noted, Cares Act funding has been expended on staff salaries. She has been working with CDC to get vaccines in the next round, with the goal of getting the maintenance and housing workers immunized first. The Resident Services department and PHDC were moved to new suites in December. Some physical layout changes are being planned at 14 Baxter to help keep everyone safe. No staff offices will be in the basement, except for the IT staff member who wants to remain there.

The Greater Portland Housing Group (composed of PHA, Westbrook Housing, and South Portland Housing) met to discuss the sale of housing link which houses the waitlist. The transaction has already been approved by MaineHousing. The deal being discussed is to move to better software and sell the data of GoSection8. As part of the deal, PHA will get service credit in the amount of \$5000/year. There is a lower cost to using GoSection8, with the added bonus that the software is able track the required City of Portland homeless set aside as well as handle the tax credit properties.

The solar credit purchase for our commercial accounts has not come through and the information requested at Finance Committee will be provided as soon as received. The resolution will be presented to the Board for approval at a later date.

Resolution #3064

Be it resolved by the Commissioners of the Portland Housing Authority to ratify and confirm approval of GPRSC to sell the Housing Data Link to GoSection8 for a credit of \$20,000 toward future services, authorizing and ratifying and confirming the actions of the Executive Director and Chairperson in approving said sale, and the Executive Director’s execution of the agreement for this sale, be and hereby are approved.

The above resolution was moved by Tom Valleau, Commissioner, and second by Robyn Tucker, Chair, and upon roll call, the ayes and nays were as follows:

<u>AYES</u>	<u>NAYS</u>
Robyn Tucker, Chair	None
Kristin Blum, Vice-Chair	
Christian MilNeil, Commissioner	
Monique Mutumwinka, Commissioner	
Shirley Peterson, Commissioner	
Tom Valleau, Commissioner	

Chairperson declared said motion carried and said resolution adopted.

The Board asked if after the sale is completed, is there still a need to maintain the Greater Portland Housing entity? Ms. Sessions clarifies that the entity is not restricted to just the waitlist and could serve as a vehicle for other ventures with South Portland and Westbrook Housing. Christian MilNeil expressed the need for the entity to be terminated after the sale is completed. Cheryl will research and present options. The current entity Board members are the Executive Directors for all three of the member agencies.

The Board would also like to know what the capital costs are for the office changes planned for 14 Baxter Blvd. Cheryl notes that the changes are minor and are waiting on estimate for the work. She estimates about \$20,000 and it is being funded with Cares Act monies.

To end her report, Ms. Sessions noted that the Human Resource Committee met last night to discuss the amendment to the Employee Handbook being presented tonight. Shirley Peterson will be interviewing for her reappointment next Tuesday.

5. Development Update

Director of Real Estate Development, Jay Waterman, presented his update. No date has been set for the workshop on the Mercy Hospital Project. Front Street and 337 Cumberland got tax

credits awarded but 337 Cumberland did not get the AHD loan. The tax credit is a fixed 4% instead of the current floating 3% rate. YFO has made a fundraising commitment to raise 3.5 million dollars but may need to raise less monies due to the awarded tax credit rate. The design of Front Street Phase II moving forward on elderly 54-unit building. Hazmat is moving forward with the Kiley property and the vacant Front Street buildings. Demolition is next once the permit is issued in the next few weeks. The Washington Gardens Section 18 approval has been a long process. All the units passed HQS standards inspections so now project is waiting on HUD approval in order to close by March 2021. The SAC application was submitted a year ago to HUD for this project.

There continues to be activity on the Riverton Park opportunities. There have been talks with City of Portland staff on the Walden Way extension and possible zoning changes in the area. Various options are being reviewed and Mr. Waterman is planning on presenting feasibility and cost analysis at the January 19, 2021 Finance Committee meeting. Renovations are paused right now until we determine what is happening with new construction and the opportunities being discussed.

Asset Manager Brian Frost presented the Scattered Sites Project Summary included in the agenda packet. There is a total of 11 units in the Public Housing Scattered Development Area. These are difficult to maintain due to the way they are spread in the East Bayside area. There was a resident meeting in November 2020 and the residents were receptive to the proposed changes. The physical needs assessment has been completed and recommended the placement of \$400,000 in reserves for the project. CHA Architects will be doing the design work. Section 18 disposal application will be submitted for 37 Illsley and the remaining units will apply for HCV vouchers. He reviewed the rent income cash flow and noted that they may qualify for some Efficiency Maine rebates for the energy efficiency upgrades. Temporary relocation will be necessary to do the units' interior renovations. The buildings would also require insulation updating. The total expense is estimated at \$62,000. The construction debt can be easily carried and managed. PHDC would own the properties; and may combine into the same LLC as the 155 Anderson. The expected timeline would be approximately one year, with financing and design going parallel to the HUD process. Project may extend approximately six months into 2022. The condo at 37 Illsley may be offered for sale to the agency housing mortgage program first. He is working with Linda Ballew and Joni Boissonneault on offering the opportunity.

The Board asks if there is value in PHDC having ownership of these 11 units or would the agency consider home ownership for them. Cheryl answered that the option may be considered but that the asset will cash flow very well with vouchers and will be rehabbed and maintainable.

Resolution #3065

Be it resolved by the Commissioners of the Portland Housing Authority that the Project Summary and Proforma for the Scattered Sites SAC Application, be and hereby are approved.

The above resolution was moved by Christian MilNeil, Commissioner, and second by Tom Valleau, Commissioner, and upon roll call, the ayes and nays were as follows:

AYES

Robyn Tucker, Chair
Kristin Blum, Vice-Chair
Christian MilNeil, Commissioner
Monique Mutumwinka, Commissioner
Shirley Peterson, Commissioner
Tom Valleau, Commissioner

NAYS

None

Chairperson declared said motion carried and said resolution adopted.

6. Amendment Review and Approval

Executive session will be tabled as the Union contract update was presented to the HR committee last night.

A review of the Grant Funded Positions shows various requirements for each grant and the agency wants to provide clarity in these requirements by removing them from the chart and add that the salaries paid are established by the grant requirements. The other proposed change is the IT help desk staff, to be moved to a level 4 as an IT Specialist and re-write the job description to reflect the change. PHA recently participated in MAHC salary survey. Survey results demonstrated the need for some positions be re-graded, with positions needing to be re-salaried with new job descriptions. The change in the grant positions provides the means to show consistency in salary paid as the grant dictates the sum and does not allow the agency to run into a disparity. These are all nonunion positions and proposals were discussed at the HR committee meeting. Cheryl clarifies that any COLA would be paid by the grant funding if awarded to a grant funded employee. The salary would also be capped by the grant funding.

The Board concurs on the amendments to the staff positions and salary chart (Appendix A) of the personnel manual. Mr. Valleau pointed out that the salary cap for the Executive Director needs to be corrected to a maximum of \$145,000.

Resolution #3066

Be it resolved by the Commissioners of the Portland Housing Authority to further amend Appendix A of the Non-Union Employee Handbook to:

- (1) Eliminate the Level 3 Help Desk position in Information Technology and add the position of IT Specialist at Level 4,

AND

- (2) List Grant Funded positions separately as “Grant Funded” and paid “as per Grant Agreement”,

Be and hereby are approved.

The above resolution was moved by Shirley Peterson, Commissioner, and second by Christian MilNeil, Commissioner, and upon roll call, the ayes and nays were as follows:

AYES

Robyn Tucker, Chair
Kristin Blum, Vice-Chair
Christian MilNeil, Commissioner
Monique Mutumwinka, Commissioner
Shirley Peterson, Commissioner
Tom Valleau, Commissioner

NAYS

None

Chairperson declared said motion carried and said resolution adopted.

With no other business on the agenda, Commissioner Tom Valleau moved to adjourn the meeting and was second by Vice-Chair Kristin Blum.

Meeting adjourned at 7:23 PM